



**SUMMARIZED MINUTES
SCOTTSDALE CITY COUNCIL
BUDGET SUBCOMMITTEE**

Public Meeting
Thursday, May 4, 2006
City Hall Kiva Conference Room
3939 N. Drinkwater Blvd.
Scottsdale AZ 85251

CALL TO ORDER

The Budget Subcommittee meeting was called to order on Thursday, May 4, 2006 at 2:05 PM in the Kiva Conference Room.

ROLL CALL

Subcommittee: Councilman Robert Littlefield, Chairman
Councilmember Betty Drake
Vice Mayor Ron McCullagh

Jan Dolan, Neal Shearer, Art Rullo, Brent Stockwell, Tom Beat,
Bill Murphy

Also Present: Bill Groves, PGA

APPROVAL OF APRIL 28, 2006 MINUTES

Vice Mayor McCullagh requested changes to the minutes with regard to the Youth Ballfield Maintenance, to indicate any maintenance will be with the school's permission; and in regard to health care funding, the minutes should indicate the recommendation was to move it forward to the full Council to fully fund the self-insurance fund.

COUNCILMEMBER DRAKE MOVED FOR APPROVAL OF THE MINUTES OF APRIL 28, 2006 AS AMENDED. VICE MAYOR MCCULLAGH SECONDED THE MOTION, WHICH CARRIED 3-0.

GENERAL BUSINESS

1. Discuss and approve Subcommittee recommendations to the full City Council for the FY 2006/07 Budget and Capital Improvement Plan

Discussion was held regarding the following budget decisions which were deferred from the last meeting in order to receive more information or to do further study:

- **TPC Desert Golf Course & Clubhouse Renovation - \$10M** - Ms. Dolan said staff has reached tentative agreement with the PGA whereby the City would bond for this improvement, a \$10M cap was identified for rebuild of the clubhouse and golf course.

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The PGA has agreed to contribute an additional \$50,000 the first year, \$100,000 the second year, and then \$200,000 per year over the next 28 years to a separate fund for future projects, \$200,000 annually from the lease payment for debt service on the course and clubhouse renovations, and \$260,000 annually from the lease payments toward the debt payment of 52 acres for parking by the TPC. A copy of the financial proposal will be forwarded to the Subcommittee. Mr. Groves anticipated that of the \$10M, \$8M would be spent on the course and \$2M on the clubhouse. A graph was presented comparing the number of rounds played at the Desert Course with other courses, and Mr. Groves said their goal is to get back up to 65,000 rounds or more. Chairman Littlefield questioned what percentage of the City's bonding capacity this budget item would amount to, and Ms. Dolan believed it to be a small percentage but will forward that information to the Subcommittee. The Subcommittee agreed to forward a favorable recommendation to the full Council subject to the final documents requested.

- **Villa Monterey Golf Course** - Mr. Shearer said no new information has been received, and that a potential purchaser has until May 23rd for due diligence. In the event this property is not purchased, the Subcommittee agreed \$200,000 could be set aside in the budget for land acquisition, as well as \$1.5M in capital improvements to bring the property up to code, and \$150,000 in on-going maintenance operating costs for this property should it become available. The Subcommittee agreed that additional capital expenses in future years would be available to fully convert this property to a open space park.
- **Helicopter** - The Subcommittee agreed to move this item out of the CIP 5-year plan, determining it is not a proven benefit at this time, but can be placed back into the CIP budget at another time.
- **Cultural Council Requests (Operating \$418,207 and Capital \$119,725)** - After discussion, Subcommittee members Littlefield and McCullagh agreed to recommend the one-time capital costs of \$119,725 (Theatre Rigging, Security System Replacement, and SMOCA Humidification) and \$90,000 in one-time operating costs for a Community Cultural Assessment. The other on-going costs of \$328,207 (Theater 4301 Support, SMOCA Collection Preservation and SMOCA Conservation Assessment for Collection) were not recommended for approval. Subcommittee member Drake supported all the Cultural Council requests, with the caveat the City would fund Theater 4301 for only one year. A recommendation for one-time costs in the amount of \$209,725 will move forward to the full Council.

Other discussion items:

- After further discussion of Ballfield Maintenance issues, Chairman Littlefield said he will note in his final report to the Council that this item awaits further discussion with Dr. Baracy, Superintendent of Schools. The Subcommittee agreed that the quality of maintenance at the fields needs to be improved to the level of City-maintained fields, but recognized that there may be more than one way to improve maintenance to that level.
- Discussion was held regarding a request from Maricopa County for assistance in funding a Human Services Campus to serve the homeless in the Valley, in the amount of \$118,000 payable over a three-year period. The Subcommittee agreed to forward a recommendation to the full Council to fund this item with approximately \$40,000 a year for three years.

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- Vice Mayor McCullagh requested further information on how much of the General Fund is spent on the preserve.
- Vice Mayor McCullagh requested information on how the City was handling the parking situation at Mustang Library.
- Vice Mayor McCullagh requested data regarding how much foregone revenue is associated with each cent decrease in the property tax rate, the estimated cost to the City if sales tax was removed from food purchases, and information regarding the 2% maximum tax increase rule related to increased property tax assessments.
- Vice Mayor McCullagh requested information on how many of the 82 new FTEs were going to new facilities, as well how the other new FTEs would be deployed.
- Vice Mayor McCullagh requested total Fire-related costs for budget years 04/05, 05/06, and 06/07.
- Vice Mayor McCullagh requested estimated construction and operating costs for the Arabian and Appaloosa Libraries.
- Discussion was held regarding the possibility of televising next year's budget hearings in an effort to encourage more public involvement, and perhaps including the whole Council in the budget process. Chairman Littlefield said he will include those suggestions in the final report to Council.
- Discussion was held in regard to eliminating security screening at City Hall, and the Subcommittee expressed support of that.
- Further discussion was held regarding the legal requirements for converting 28 Contract Employees to FTEs.
- Discussion was held regarding a new position requested for the City Attorney's Office, the difficulties in measuring productivity in that department and in justifying requests for new positions.

2. Discuss meeting schedule and set additional meeting dates, if needed.

No action taken.

PUBLIC COMMENT - None

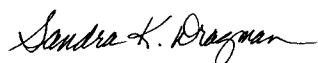
MEETING SCHEDULE

The Subcommittee will present its recommendations to the full City Council at the City Council Special Meeting scheduled on Tuesday, May 9, 2006 at 5:00 PM in the City Hall Kiva Forum, 3939 N Drinkwater Blvd., Scottsdale, AZ 85251.

ADJOURNMENT

With no further business to discuss, the meeting adjourned at 4:40 PM.

SUBMITTED BY:



Sandy Dragman
Recording Secretary